(b) 111.04 lakh tonnes of wheat was procured by FCI and State agencies in Rabi Marketing Season (RMS) 2007-08.

(c) Yes, Sir.

(d) As per the existing policy, the farmers have the option of selling their produce to the Government agencies at Minimum Support Price (MSP) plus applicable bonus or to the private parties, as is advantageous to them. In order to ensure that the farmer gets remunerative price for his produce, no restriction on procurement by private companies (including Multinational Companies) has been imposed by the Government of India. However, a notification titled "Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 1.3.2007. The order provides that any Company or Firm or individual which purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/address of the company, quantity of wheat purchased and quantity of wheat held in stock.

Revamping the procurement system

2052. SHRI RAMDAS AGARWAL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the farmers of wheat growing States have requested Government to withdraw its decision to import wheat during the current year in view of its adverse impact on the farmers and poor quality of imported wheat;

(b) whether it is a fact that Government are paying Rs. 850 per quintal to Indian farmers while, it is paying Rs. 1,300 per quintal to foreign farmers;

(c) if so, the reasons therefor; and

(d) whether Government propose to revamp the procurement policy to provide better price to the farmers and improve the food security situation in the country?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) Representation have been received from some organizations representing farmers requesting the Government to reconsider its decision to import wheat in 2007-08.

(b) The wheat was purchased from the farmers by Government agencies in RMS 2007-08 at a procurement price of Rs. 850 per quintal (MSP of Rs. 750 per quintal plus incentive bonus of Rs. 100 per quintal). When the procurement price of Rs. 850/- per quintal was decided on 15.3.2007, the FOB price of US soft red winter wheat at Chicago was $ 168.30 per ton, which translated into Rs. 743.72 per quintal (US $=Rs. 44.19). Thus the price paid to farmer in India was higher than the FOB price of wheat at Chicago at that time. Subsequently, the price of wheat in the International Market has increased. In July 2007 the Government placed orders to purchase 5.11 lakh tons of wheat at the weighted average rate of US $ 325.59 per ton which worked out to Rs. 1312/- per quintal (US $=Rs. 40.3). The higher price of wheat imported was the result of lower production in several major wheat

producing countries in the world during the current year and the consequential increase in the international price of wheat.

(c) The Government took decisions to import wheat as per requirement but upto 50 lakh tonnes since procurement was only 111 lakh tonnes in RMS 2007-08 as against the requirement of 150 lakh tonnes of wheat for TPDS and welfare schemes.

(d) The present Minimum Support Price (MSP) of foodgrains is fixed based on the recommendations of the Commission for Agricultural Costs and Prices (CACP) which is an expert body constituted for this purpose. The Government also announces bonuses prior to the procurement season whenever required. This policy has been working successfully for past several years since farmers have, the option of selling their produce to the Government agencies at the fixed procurement price or to the private parties, which ensures remunerative prices to them. This policy also serves to procure stocks for the Central Pool for food security.

Reduction in allocation of foodgrains to Sikkim

2053. SHRI O.T. LEPCHA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that central allocation of foodgrains such as wheat to the State of Sikkim under Public Distribution System has been reduced from 1200 MT to 600 MT and from 1st April, 2006;

(b) whether the huge cut in the quantity of wheat caused severe shortage in the supply of wheat to the ration card holders under PDS in the State; and

(c) if so, the reasons therefor and the action taken in this respect by Government?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) to (c) From June, 2006, due to a decline in stocks of wheat in Central Pool, the allocations made the Targeted Public Distribution System (TPDS) have been rationalized for all the States/UTs, including Sikkim, on the basis of each State's average offtake for the last 3 years or the last year's offtake, which ever was lower. But, the overall allocation of foodgrains remained unchanged, for the Antyodaya Anna Yojana (AAY) and Below Poverty Line (BPL) families. For the Above Poverty Line (APL) families, the details of the pre-revised and revised allocation of wheat, made for the State of Sikkim, are as follows:

Monthly Allocation (in thousand tonnes)		
March, 2006	April and May, 2006	June, 2006 to March, 2007
600	600	245

However, with improved stock position, the Central Government made an adhoc allocation of 2100 Tons of wheat for the Above Poverty Line (APL) families in 7 instalments @ 300 tons per month for the months of September, 2006 to March, 2007. Presently, an adhoc allocation of 1200 Tons of wheat for the APL